

BRANCH MINT AT DENVER, COLORADO TERRITORY..

[To accompany bill H. R. No. 287.]

FEBRUARY 20, 1862.—Ordered to be printed.

Mr. MAYNARD, from the Committee of Ways and Means, made the following

R E P O R T .

The Committee of Ways and Means, to whom was referred the memorial of citizens of the Territory of Colorado for the establishment of a branch mint at Denver City, in said Territory, beg leave to report :

In crossing the North American continent on a line between the thirty-seventh and forty-first parallels are found four points nearly equi-distant, New York, St. Louis, Denver, and San Francisco, on the Atlantic and Pacific coasts, in the centre of the great Mississippi basin, and at the foot of the Cordillera or Rocky mountain chain. Three of these points are already large centres of population and trade, and are prominent in the eye both of the merchant and geographer. Their facilities for communicating by water with the rest of the world secures to them undisputed pre-eminence. The fourth, Denver, of recent growth, has hardly attracted the attention of any except the few adventurous persons who have wandered there while seeking their fortunes beyond the frontiers of civilization, and yet it is not unlikely to rival, if not surpass, either of the other three.

The reasons for this conjecture lie in its remoteness from either ocean and from the rivers that drain the several basins which compose the continent, and in its situation relative to a vast central region, now almost the only uninhabited portion of the globe within the limits of the broad northern belt within which is to be found nearly all of what we regard as civilization. Towards this region the westward current of population is fast setting, and in a few generations it will be occupied by a permanent homogeneous and self-dependent race of people. The migratory habits which have characterized all other people on the continent will not attach to them, for the simple reason that they will have no place to go. Such a people must needs have a great metropolis the seat of their government, and the centre of commerce, manufactures, literature, and art, as well. This will be Denver, known possibly by some different name, and located, it may be, on a site a few miles this side or the other of the present

town. But in that immediate neighborhood will our great-grandchildren, as they journey to the Pacific, find focalized a multitudinous people. Connected more nearly with the western ocean than with the eastern, more Asiatic than European in their tastes, they will cultivate the elegant arts that revel in the imaginative forms of the precious metals, rather than the useful arts that wrestle with the elasticity or the unyielding rigor of the baser metals. Theirs will be a golden rather than an iron civilization. And yet their people, unlike, in many respects, the dwellers on the Atlantic slope and in the Mississippi valley, will form a part of one and the same great nation with us. We have too recent and flagrant proof of the danger of allowing local peculiarities, by engendering imagined antagonisms of interest to ripen into sectional feuds. And least of all could we afford to see established a middle kingdom, sundering, by an impassable barrier, the eastern from the western coast. In our legislation, therefore, we should make haste to consult their local interests, and to educate them to the conviction that no distance, however great, removes the American citizen from the eye of the government and the protection of the Constitution.

By a recent act of Congress we have organized this vast central region under a territorial government, whose capital is Denver.* Already has it a population variously estimated at from 25,000 to 30,000. The great attraction thither is known to be the immense mineral wealth of that wonderous region, especially the gold. The abundance there of this the most valuable of the precious metals may be inferred from some passages of Governor Gilpin's late work upon that country. Speaking of the great mountain range that pervades it, he says: "This supreme cordillera may be defined as the backbone of the world. It is the *divostia aquarum* of the American continent. From the snows of its immense crest and flanks descend the rivers that irrigate either face of the continent out to all the oceans. From it, also, branch off all the other mountain chains. Where the irrigation from the snows is sufficient, immense forests exist; elsewhere the mountains are naked. The core or bases of the Sierra Madré is red porphyritic granite, from the immense naked masses of which comes the popular sobriquet of "Rocky Mountains." *This is the gold-producing quartz.*†

The great extent as well as the permanent value of this auriferous formation is indicated more fully and clearly in another extract borrowed from this intelligent and eloquent writer.

"Although immense sandstone and calcareous formations are frequent, and elsewhere igneous rocks have overflowed thousands of square miles, these overlaying a uniform pediment of porphyritic granite, as uniformly yielding gold. The primeval gold-bearing formation, therefore, very equally divides the area of the continent half and half with the calcareous formation, which latter abounds with the base metals. Thus, within the present territories of the

* Act of February 28, 1861. † The Central Gold Region, by William Gilpin, p. 48.

American people the precious stones and precious metals, platinum, gold, silver, quicksilver, exist in the as yet partially developed half with the same abundance and universality of distribution as do the base metals, mineral fuel, and calcareous rocks within the States.'''*

The appearance of the country, as early as the year 1849, attracted the attention of a party of miners from Georgia, who passed through it among the earlier emigrants to California, as likely to be productive of gold. But it was not until August, 1858, that gold was actually discovered there. This was in the neighborhood of Pike's Peak. The excitement which followed the discovery will be long remembered as a part of the history of the times. Very little progress in mining, however, was made before April or May of the following year. By a statement of the director of the mint, appended to this report, it appears that the amount of gold received at the mint and branches from the region of country now embraced in the Territory of Colorado, since the mines have been worked, has been as follows:

During fiscal year ending June 30, 1859.....	\$4,171 70
During fiscal year ending June 30, 1860.....	622,264 30
During fiscal year ending June 30, 1861.....	2,091,197 17
Since which time about	1,160,000 00
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Making a total of	3,877,633 17

or nearly four millions in less than three years from the opening of the mines. The chief occupation of the present inhabitants is, of course, the production of gold, and employments incidental to it. By a petition presented to the House the present session, it appears that more than one hundred and fifty mills for crushing the metaliferous quartz and extracting the product are now actively in operation. While some rich *placers* are discovered where the gold appears in lumps or *nuggets*, the principal yield of the mines is in minute particles or dust. As might be expected, the gold dust forms a great portion of the wealth to be found among the people, everybody having more or less of it. Having the character of money as well as of property, it is to a considerable extent carried about the person, either in small pouches or loose in the pocket, and in the small current transactions of business is weighed out in small scales carried for the purpose. That this sort of careless traffic in an article so valuable, and at the same time so easily scattered, should be attended with immense waste and cause great individual loss, is attested alike by reason and experience. This has led to the establishment at Denver of a private manufactory for coining. The pieces resemble in their general appearance the government coinage, and profess to be of the value, respectively, of the double eagle, eagle, half eagle, and quarter eagle. The charge is five per cent., and the production is already very considerable.

The impropriety of such establishments would be very obvious, even without the aids of experience derived from their operations in other parts of the country. It is nothing more nor less than counterfeiting the legal coin; and although not done with a criminal intent, lends increased facilities for fraud and villainy; besides inflicting upon the country the evils of a metallic currency, with no means of correctly ascertaining its value.

This condition of things has not escaped the attention of the Secretary of the Treasury. In his late annual report he says: "The large and rapidly increasing production of gold in the Territory of Colorado suggests inquiry into the expediency of establishing an assay office or branch mint at Denver. A private mint for the convenience of the people is now in operation at that place, and obvious considerations seem to require the substitution of national for private agencies for coinage."

The great importance, not to say absolute justice, of providing this adventurous frontier population with the means for converting the proceeds of their mining labors into money, on reasonable terms, without the expense of transportation either to the mint at Philadelphia, or the branch mint at San Francisco, and the great waste unavoidably attending the uncoined metal is too obvious for argument.

The propriety of fostering this species of industry induced the government, as early as 1835, to establish branch mints at Charlotte and Dahlonega, for the benefit of the miners in the then recently developed mines of North Carolina and Georgia. And though these gold deposits have been, to a great extent, lost sight of since the discoveries on the Pacific coast, the average annual coinage at each of these branch mints, for the last twelve years, has fallen little short of a quarter of a million of dollars; a sum not large in comparison with the annual yield of the Colorado mines, yet large enough, in the opinion of the government, to justify it in keeping the branches in full operation until they were seized on the breaking out of the present rebellion. A similar policy established a branch mint at San Francisco in 1852.

Another consideration not to be passed over occurs in connexion with our Indian affairs. It has become the settled policy of the government, in its treatment of the western tribes, to pay them annually large sums of money, and always in coin. The amount paid during the last year, as appears by a statement from the Commissioner of Indian Affairs, to the several tribes in New Mexico, Utah, Colorado, Nebraska, Dakota, and Kansas, was \$816,046 33. The expense and trouble of remitting this amount of specie from the Atlantic cities, or even from St. Louis, must be considerable, and would be saved by coining the money in the region where it is required to be used.

For these reasons the committee recommend the establishment of a branch mint at Denver, and report a bill for that purpose.

MINT OF THE UNITED STATES,
Philadelphia, January 21, 1862.

DEAR SIR: I have received your letter of the 17th instant, in relation to the bill before your committee for the establishment of a branch of the mint of the United States at Denver City, in the Territory of Colorado, and respond to your inquiries in the order presented in your communication.

1. The *average* annual coinage of the branch mint at Dahlonega, Georgia, from 1848 to 1860, inclusive, was \$218,688 88, and at Charlotte, during the same period, \$255,538.

2. The amount of gold received at the mint and branches from the region of country now embraced in the Territory of Colorado since 1859, the year in which deposits of bullion from that section were first made, has been as follows :

During fiscal year ending June 30, 1859.....	\$4,171 70
During fiscal year ending June 30, 1860.....	622,264 30
During fiscal year ending June 30, 1861.....	2,091,197 17
Since June 30, 1861, about.....	1,160,000 00
Total.....	3,877,633 17

3. The cost of *coinage* in Colorado would not, it is believed, be greater than at Philadelphia, and less perhaps than at San Francisco. But the cost of *separating* or *parting* the silver from the gold, prior to coinage, would exceed the expense attending the same operation here, for the reason that the chemical articles (nitric acid being the principal one) required for that purpose would have to be transported thither at a considerable expense. It has been the uniform practice, however, at our minting establishments, to impose a "*parting*" charge on the bullion equal to the expense attending the operation, and this should be done at the proposed branch mint. I may add, for your information, that the charge for "*parting*," at the principal mint and the assay office, New York, is five (5) cents per ounce gross, and at the branch mint, San Francisco, fourteen (14) cents.

4. A private minting establishment for converting the natural alloy of gold and silver into coins has been in operation at Denver City for a year or two past. One of the firm of Messrs. Clarke, Gruber & Co., by whom it is conducted, informed me a short time since that their coinage amounted to about \$60,000 per annum.

I had the honor, on the 7th instant, to address a communication to the Secretary of the Treasury in relation to the bill in question, in which I presented my views as to the propriety of establishing the proposed branch mint, and suggested a few alterations in the bill. The Secretary will no doubt, on your application, furnish a copy of the same.

Very respectfully, your obedient servant,

JAMES POLLOCK,
Director of the Mint.

HON. THADDEUS STEVENS,
Chairman of Committee of Ways and Means, Washington City.

DEPARTMENT OF THE INTERIOR,
Office of Indian Affairs, December 19, 1861.

SIR: I have the honor to acknowledge the receipt of your letter of 14th December, instant, and, in reply, I have to state that the following is a "summary statement of the moneys paid by the government, through the Indian bureau, in the Territories of New Mexico, Utah, Colorado, Nebraska and Dakota, and in the State of Kansas, including the amount of Indian annuities (in money) and salaries of the different superintendents and Indian agents," based on the disbursements for the calendar year of 1860, viz:

New Mexico	\$59,560 68
Utah	52,440 48
Colorado	10,529 98
Nebraska	100,947 51
Dakota	124,589 44
Kansas	467,978 24
Total	816,046 33

Yours, respectfully,

WM. P. DOLE, *Commissioner.*

Hon. H. P. BENNET,
House of Representatives.

TREASURY DEPARTMENT, *February 5, 1862.*

SIR: I return the bill for the establishment of a branch mint of the United States at the city of Denver with some modifications, which will appear upon comparison of a bill which I send to you with that which I return.

The most important change is that in the 8th section, which authorizes payment for gold dust and bullion on terms to be prescribed by the Secretary. This is, probably, less subject to doubtful interpretation than the corresponding provision of the bill returned, while the object of both is doubtless the same.

In the bill sent all the provisions of the bill returned in relation to mere *forms* of payment are stricken out as unnecessary. Payments will, of course, be made in coin, United States notes, or other media authorized at the time.

The provision relating to salaries is also somewhat modified, as the salaries in the bill returned seem to me too high.

With the modifications suggested, I recommend the passage of the bill as one of great general utility and special convenience to the people of the Territory of Colorado.

With great respect,

S. P. CHASE,
Secretary of the Treasury.

Hon. HORACE MAYNARD,
Chairman, &c.

